



Memorandum

TO: CITY COUNCIL

SUBJECT: STUDY SESSION: URBAN
VILLAGE IMPLEMENTATION

FROM: Mayor Chuck Reed

DATE: November 8, 2013

APPROVED:

Chuck Reed

DATE:

11/8/13

RECOMMENDATION

To facilitate the upcoming study session discussion, I recommend we proceed as follows:

1. At the end of the staff presentation on Agenda Item 3, Urban Village Case Studies, we should share our perspectives on:
 - What is an Urban Village?
 - What are the characteristics of an Urban Village?
 - What are the goals of an Urban Village?
 - How do we facilitate the creation of jobs in an Urban Village?
2. After the consultant presentations on Agenda Items 5 and 6 and prior to the panel discussion, Council should discuss:
 - What are the elements and infrastructure needs of an Urban Village?
 - Will these infrastructure improvements attract jobs to the Urban Village?
 - What do those elements and infrastructure improvements cost?
 - How will these elements and infrastructure needs be financed and by whom?

BACKGROUND

At the General Plan Annual Review hearing on October 22, 2013, Council approved adding text to the General Plan that an Urban Village is not a mechanism to convert employment lands. The dialog between Council and staff, at the November 12th Study Session should lead to a description of what an Urban Village should be.

The General Plan's Major Strategy #5 is to promote the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth attractive to an innovative workforce and consistent with the Plan's environmental goals. Urban Villages will enable location of commercial and public services in close proximity to residential and employee populations, allowing people to walk to services while also providing greater mobility for the expanding senior and youth segments of the population. The Urban Villages Strategy fosters:

- Mixing residential and employment activities;
- Establishing minimum densities to support transit use, bicycling and walking;
- High-quality urban design;
- Revitalizing underutilized properties with access to existing infrastructure; and,
- Engaging local neighborhoods through an Urban Village Planning process.

I suggest that we consider the following characteristics as we plan for future Urban Villages:

- A village should have an identity and recognizable boundaries.
- If you live in a village you should not need to own a car.
- Everything in a village should be accessible by foot or bicycle.
- The village should have a balance of jobs and housing.
- You should not have to leave a village to engage in most of life's activities.
- When you leave a village you should be able to easily walk or bike to rail or bus transportation.

General Plan 2040 is a jobs first plan but it is not a moratorium on housing. Developers are currently building thousands of units across the city and we have an allocation of over 50,000 units, in the Downtown and Specific Plan Areas which can be developed.

Urban Village real estate investment decisions are challenging. Sites within each Urban Village are unique unto themselves. Some are owned by single owners, others by multiple owners. Some are shallow lots located on commercial strips, and some large sites sit on major thoroughfares. The development community is further challenged by constant fluctuations in construction costs, rents, cap rates, borrowing costs, taxes and fees. Keeping these factors in mind, we should be reasonable about the list of elements and infrastructure needs that we think would complement our vision of an Urban Village as well as the value that staff expects to capture to finance the implementation of the Urban Villages.

The bottom line with the Urban Villages needs to be jobs. On October 22, 2013 the Council gave direction that:

- An Urban Village is not a mechanism to convert employment lands to non-employment uses;
- Other City policy goals such as raising revenues for example, which could occur through the conversion of employment lands to non-employment uses shall not take precedent over the jobs first principle; and,
- The General Plan's job first principle applies to Urban Villages and that residential conversions are not allowed to proceed ahead of the job creation that is necessary to balance the residential elements of the Village Plan.

Additional direction was given so that:

- Urban Village Plans presented to the Council for adoption in the future, include an Implementation Financing Strategy for each area that describes in detail any proposed infrastructure improvements and funding mechanisms.

We must hold the line on our jobs first principle, and implement the Urban Village plans in a fair and reasonable manner, so as to encourage property owners and developers to retain and attract viable job generating uses – driving industry, business support, and/or people serving jobs, as appropriate - to the Urban Villages.